



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

June 20, 2005

IN REPLY PLEASE

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TO: Each Supervisor

FROM: Donald L. Wolfe  
Acting Director of Public Works

### **ALAMEDA CORRIDOR EAST CONSTRUCTION AUTHORITY REGULAR BOARD MEETING—MAY 23, 2005**

On May 23, 2005, a member of my staff attended the regular meeting of the San Gabriel Valley Council of Governments (SGVCOG)—Alameda Corridor East Construction Authority. A copy of the agenda and the adopted minutes of the April 25, 2005, meeting are attached. The following items were discussed at the meeting, which are of interest to the County.

**Agenda Item VII**—The Authority Board approved an amendment to the construction management services contract held by Parsons Brinkerhoff Construction Services, Inc., to include activities for the Sunset Avenue grade separation project. Prior to this amendment, the Parsons Brinkerhoff Construction Services, Inc., contract included construction management services for the East End Avenue, Reservoir Street, and Temple Avenue train diversion projects and was for a not-to-exceed amount of \$5,059,991. The cost to add the Sunset Avenue project to the contract is \$2,321,000 and will bring the contract's not-to-exceed amount to \$7,380,991.

**Agenda Items VIII and IX**—The Authority Board declared six parcels associated with the Nogales Street at Valley Boulevard and Ramona Boulevard grade separation projects to be surplus property. The five parcels associated with the Nogales Street at Valley Boulevard grade separation project are within the City of West Covina and the single parcel associated with the Ramona Boulevard grade separation project is within the City of El Monte. Declaring these parcels as surplus property allows Authority staff to offer them for purchase to interested parties.

**Agenda Item X**—The Authority Board agreed to recommend to the SGVCOG the approval of a new \$100 million direct draw letter of credit with Bayerische Landesbank, a German bank, to cover cash flow needs of the Alameda Corridor East project. The

Each Supervisor  
June 20, 2005  
Page 2

bank that the Authority currently holds a letter of credit with will shortly no longer offer this type of service. The SGVCOG, as the parent organization of the Authority, is responsible for all debt issued by them. The SGVCOG must therefore approve this bank guarantee (line of credit).

**Agenda Item XI**—The Authority Board approved an amendment to the legal services contract held by Burke, Williams, & Sorensen, LLP, to include bond counsel services in support of the Authority's pursuit of a new letter of credit (described in Agenda Item X). Bond counseling services are needed in order to draft the new bank agreements. The amendment will add \$55,000 to the contract's existing not-to-exceed amount, which was not reported at the meeting.

**Agenda Item XII**—The Authority Board amended their Conflict of Interest and Disclosure Code to reflect recent changes made to the Code by the County of Los Angeles Board of Supervisors.

**Agenda Item XIII**—The Authority Board approved the Fiscal Year 2006 Budget for the Authority and made a recommendation to the SGVCOG to do the same. The SGVCOG, as the parent organization of the Authority, must also approve its annual spending plans. A summary of the budget is attached to the meeting minutes.

**Agenda Item XIV**—Authority staff updated the Board on the status of various pending legislative items that would impact the Alameda Corridor East project. The most important of these was the Governor's decision to release \$1.2 billion in Proposition 42 funds in Fiscal Year 2005-06. Staff reported that this budget proposal, if approved by the Legislature, would allow the Authority to seek allocation of the \$68 million in Traffic Congestion Relief Program funds currently on hold due to the State budget deficit.

The next meeting of the Authority Board will be on June 27, 2005, at the Irwindale City Hall at 2 p.m.

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Attach.

cc: Chief Administrative Office  
Executive Office



# Alameda Corridor-East Construction Authority

4900 Rivergrade Rd . Ste A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

## REGULAR MEETING AGENDA Monday, May 23, 2005 - 2:00 P.M. Irwindale City Hall - Council Chambers 5050 Irwindale Avenue Irwindale, CA 91706

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three- minute time limit on individual remarks at the beginning of discussion.

- |       |   |             |
|-------|---|-------------|
| I.    | Roll Call and Introductions   |             |
| II.   | Pledge of Allegiance  |             |
| III.  | Approval of Minutes - Regular Meeting of April 25, 2005 meeting (Pages 1-5)   | Action      |
| IV.   | Public Comment  |             |
| V.    | Chairman's Remarks  | Information |
| VI.   | Chief Executive Officer's Report (Pages 6-15)   | Information |
| VII.  | Approval of Amendment to Sunset Avenue Grade Separation Construction Management Contract with Parsons Brinkerhoff Construction Services (Pages 16-17) | Action      |
| VIII. | Approval of Declaration of Surplus Property at Valley Blvd. and Nogales St. , West Covina (Page 18)   | Action      |
| IX.   | Approval of Declaration of Surplus Property at 11126 Ramona Blvd., El Monte (Page 19)   | Action      |
| X.    | Approval of Selection of Bayeische Landesbank as Guarantor and Letter of Credit and Reimbursement Agreement (Pages 20-22)                             | Action      |
| XI.   | Approval of Amendment to Burke, Williams, Sorenson Contract (Pages 23-24)   | Action      |
| XII.  | Approval of Amended Conflict of Interest and Disclosure Code (Pages 25-29)  | Action      |
| XIII. | Approval of Fiscal Year '06 Budget (Pages 30-54)  | Action      |
| XIV.  | Legislative Update  | Information |
| XV.   | Adjournment   | Action      |

The ACE Construction Authority is currently constituted of seven (7) member jurisdictions: the City of El Monte, the City of Industry, the City of Montebello, the City of San Gabriel, the City of Pomona, the County of Los Angeles, and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex officio Board member.

Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes



**ACE Construction Authority  
Regular Board Meeting  
April 25, 2005  
Minutes**

Chairman Ernest Gutierrez called the meeting to order at the Irwindale Council Chambers on April 25, 2005 at 2:00 PM.

**1. In attendance were:**

Ernest Gutierrez, El Monte  
Harry Baldwin, San Gabriel  
Michael Antonovich, LA County  
George Hunter, Pomona  
Ed Vasquez, Montebello  
Carol Herrera, SGVCOG  
Jeff Parriott, Industry  
Paul Eaton, Ex Officio, SANBAG

**Staff**

Rick Richmond, Chief Executive Officer  
Joe Silvey, Legal Counsel  
Sharon Neely, staff  
Deanna Stanley, staff  
Cynthia Ambrose, staff  
Girish Roy, staff  
Bruce Armistead, staff  
Lou Cluster, staff

**Guests**

Manuel Saucedo, Senator Nell Soto  
Russ Bryden, County of LA  
Katy Rzonca, Mayor of Walnut, SGVCOG Alternate  
David Varnan, Congressman Gary Miller  
Lyle Kennedy, IMJ  
Mario Beltran, Assemblymember Judy Chu

**2. Pledge of Allegiance**

Member Cortez led the pledge of allegiance.

**3. Approval of Regular Meeting minutes of March 28, 2005.**

A motion was made to approve the meeting minutes of March 28, 2005.  
M/S/C: Baldwin/Herrera/Unanimous

**4. Public Comments**

There were no public comments.

## **5. Chairman's Remarks**

Chairman Gutierrez reminded the Board of the annual legislative dinner scheduled for May 11 in Sacramento. The dinner is co-hosted with Foothill Transit, SGV Economic Partnership and the San Gabriel Valley Council of Governments. He indicated staff is working on scheduling meetings to discuss pending legislation.

Chairman Gutierrez informed the Board that Mayor Ed Cortez was ill and wished him a speedy and full recovery. He welcomed Pomona Council member and ACE Board alternate George Hunter. The Chairman acknowledged Mayor Katy Rzonca of Walnut in the audience.

## **6. Chief Executive Officer's Report**

Rick Richmond reported on the status of federal reauthorization transportation legislation. He further reported that the quarterly environmental mitigation monitoring reports for the Nogales Street and Reservoir Street projects were included in the agenda and that he would present the first quarterly report on the Ramona Street grade separation project today.

Lou Cluster, Sr. Project Manager reviewed construction photos for the Ramona Street grade separation project which included street improvements to prepare for the upcoming Ramona Blvd. street closure and detours. He reviewed progress photos of the Nogales Street grade separation highlighting the loop road construction.

Bruce Armistead, Sr. Project Manager reviewed photos of the Nogales Street bridge retrofit process. He indicated the process went smoothly and completed on schedule. He also reviewed construction activities at Reservoir Street. George Nomura reviewed the highlights of the Bechtel/Korve program management activities for the month.

## **7. Hearing on Resolution of Necessity for Property Acquisition for Brea Canyon Road Grade Separation in the City of Diamond Bar**

The Chairman opened the hearing for Resolution No. 05-01. Joe Silvey, Burke, Williams, Sorensen reviewed the hearing process. He noted that a written offer had been made for the property in question, but had not been accepted to date and that negotiations would continue. He reviewed the three findings that the Board must make after the hearing was closed. Mark Mendoza, Paragon Partners reviewed the design options and evaluation criteria for selection of the final project design. He indicated that due to the design of the project a

complete fee interest was required. He indicated the parcel included a single family residence and a business. He reported that an appraisal has been made and a fair and reasonable offer was made and that good faith negotiations were on-going. He noted that as a result of a continued cooperative effort to negotiate he felt confident an agreement could be reached with the property owner.

The Chairman opened the public comment period. There were no comments. The Hearing was closed.

Member Antonovich asked who owned the property and what was the offer. Member Herrera asked whether the utilities relocation would impact this property and other properties. She asked for further information on why sloped versus retaining walls are used for the project. Hunter asked the type of business and whether the business would be compensated for relocation. Staff responded to all questions.

A motion was made to adopt Resolution No. 05-01, finding that the public interest, convenience, and necessity require the acquisition of the property and authorizing the commencement of eminent domain proceedings to acquire the complete fee interest in the real property at 650 Brea Canyon Road in the City of Diamond Bar.

M/S/C: Baldwin/Gutierrez/Unanimous

#### **8. Review of Property Acquisitions and Relocations**

Mr. Richmond summarized the success of property acquisition settlements to date. He reminded the Board that of the 72 parcels acquired, negotiations were reached on nearly all. He further reviewed the trial jury awards, all of which were below final offers but within the appraised value except one where the jury felt no award was due. Mr. Richmond indicated he was pleased with the outcome of the efforts of the property acquisitions.

#### **9. Approval of Contract Amendment for Construction Management Services for the Nogales Street Grade Separation with Lim & Nascimento Engineering**

Mr. Richmond reviewed this history of the construction management contract with Lim & Nascimento Engineering for the Nogales Street grade separation. He indicated the amendment was due to an extension of the duration of the contract. The initial contract was for 29 months but with various schedule delays including utility relocations, weather and railroad bridge issues, a contract extension is necessary. He further reviewed the changes to the level of effort or additional scope outlined in the staff report.

A motion was made to authorize the Chief Executive Officer to amend the contract with Lim and Nascimento Engineering Corporation to add \$845,300 to task order #1 of the contract for construction management services for a new task order value of \$4,359,342.

M/S/C: Antonovich/Herrera/Unanimous

#### **10. Approval of State Positions**

Sharon Neely indicated members would be traveling to Sacramento May 11<sup>th</sup> and it would be useful to review state legislative bills important to ACE activities in advance of the meetings. She provided the Board with an update on SB 760 (Lowenthal) legislation that they approved the prior month. She provided a status report on Prop 42 legislation currently pending which would close the loophole on diverting transportation funds for budget deficit purposes (eight bills are pending). She provided an update on the Speaker Nunez' transportation financing proposal. The Board asked for more detail on the proposed legislation and carried over action on the Nunez legislative proposals. She reviewed a matrix of recommendations on various transportation bills. A motion was made to support and work with the author on AB 267 (Daucher), AB 453 (Benoit), AB 1276 (Oropeza), SB 275 (Torlakson), and SB 601 (Soto).

M/S/C: Gutierrez/Antonovich/Unanimous

#### **11. Selection of Letter of Credit Bank and Bond Counsel**

Mr. Richmond reported that earlier this year the Authority was notified that Toronto Dominion Bank would no longer provide letter of credit services. An RFP was issued and six proposals were received. After careful evaluation it was determined that Bayerische Landesbank could provide these services but further discussions must continue to negotiate the transaction. He indicated staff would return at the May meeting to request the Board forward a recommendation to the San Gabriel Valley Council of Governments at their next meeting.

#### **12. Ramona Blvd. Grade Separation Environmental Mitigation Monitoring Program - Quarterly Report**

Mr. Richmond reviewed mitigation measures for the Ramona Blvd. grade separation for the quarter ending March 30. He indicated that of the work to date most measures were not required but of those that did apply there was no significant findings to report. He indicated further quarterly reports would be provided in the CEO Monthly report.

#### **13. Quarterly Report**

Mr. Richmond highlighted the costs, schedule and accomplishments for the quarter ending March 30, 2005. He reported an increase of \$4.3 million from last quarter due to Brea Canyon Road grade separation right-of-way and utility costs (\$1M) and Sunset Ave grade separation UPRR force account costs (\$3.3M).

He reported delays on Nogales due to weather; Reservoir due to UPRR delays in completing shoofly installation and Temple Ave, contractor requested delay due to insurance submittal. Mr. Richmond reported accomplishments at Nogales included the continued construction of retaining walls and grading, pre-construction of the loop connector road and agreement on railroad bridge retrofit. East End/Reservoir accomplishments included shoofly construction and rail traffic moved and foundations completed for Alhambra branch abutments and center pier. Demolition was completed at Ramona Blvd. and soundblankets were installed on the backyard walls of the homeowners immediately adjacent to the project on Ramona Blvd. The construction contract was awarded at for the Temple Avenue train diversion and utility relocations were nearly complete. Lastly, he reported bid packages were being prepared for both Brea Canyon Road and Sunset Ave grade separation projects.

#### **14. Adjournment**

The meeting was adjourned 3:20 PM in memory of the late Los Angeles County Board Supervisor Deane Dana.

M/S/C: Gutierrez/Antonovich/Unanimous